
Manitoba 

**Annual Report
1987**

**Public
Investments
Corporation
of Manitoba**

PUBLIC INVESTMENTS CORPORATION OF MANITOBA

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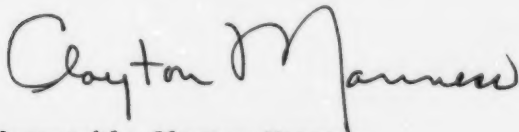
Winnipeg, July 25, 1988

To His Honour
The Honourable George Johnson
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the honour to submit the Annual Report of the Public Investments Corporation of Manitoba for the fiscal year ending December 31, 1987.

Respectfully submitted,

A handwritten signature in dark ink, reading "Clayton Manness". The signature is fluid and cursive, with the first name "Clayton" and last name "Manness" clearly distinguishable.

Honourable Clayton Manness
Minister responsible for
Public Investments Corporation of Manitoba

ANNUAL REPORT

**PUBLIC INVESTMENTS CORPORATION OF MANITOBA
FOR THE FISCAL YEAR ENDING DECEMBER 31, 1987**

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**BOARD OF DIRECTORS OF PUBLIC INVESTMENTS CORPORATION OF MANITOBA
AS AT DECEMBER 31, 1987:**

Honourable Gary Doer	Chairperson
Honourable Eugene Kostyra	
Honourable Jay Cowan	
Honourable Wilson Parasiuk	
Honourable Bill Uruski	
Honourable Jerry Storie	

**BOARD OF DIRECTORS OF PUBLIC INVESTMENTS CORPORATION OF MANITOBA
EFFECTIVE JUNE 17, 1988:**

Honourable Clayton Manness	Chairperson
Honourable James Ernst	
Honourable James Downey	
Honourable Harold Neufeld	
Honourable Glen Findlay	

OFFICERS OF THE CORPORATION AS AT DECEMBER 31, 1987:

Stephan Barg, President & Chief Executive Officer
Graham Lane, Vice-President Finance
David Chomiak, Corporate Counsel & Secretary to
the Board of Directors

**PUBLIC INVESTMENTS CORPORATION
OF MANITOBA**

Corporate Profile

The Manitoba Legislature established the Public Investments Corporation of Manitoba through Part II of The Crown Corporation Accountability Act, assented to on July 17, 1987 and proclaimed into force September 1, 1987.

The legislated objects of the Corporation are:

- a) to advise the Lieutenant Governor in Council on matters relating to designated Crown corporations and designated activities of any other Crown corporations, boards, commissions, agencies or like bodies;
- b) to give direction as to matters of policy to designated Crown corporations and designated activities of any other Crown corporations, boards, commissions, agencies or like bodies;
- c) to monitor the results of any designated Crown corporations, boards, commissions, agencies or like bodies.

1987 Activities

The Corporation was established on September 1, 1987. The President of the Corporation was hired by mid-September and six other officers and employees were hired by the end of 1987. Administrative and professional support was provided during this period by the Department of Crown Investments.

In the first four months of its existence, the Corporation started establishing the framework to carry out its mandate.

In addition to addressing its primary mandate, the Corporation assisted Crown corporations in the selection and appointment of external auditors, the review and resolution of significant financial and operational issues, and provided liaison with consultants and other parties involved in negotiations for significant purchase and sale activities with Crown corporations.

Designated Crown Corporations

A.E. McKenzie Co. Ltd.

Channel Area Loggers Ltd.

Communities Economic Development Fund

Manfor Ltd.

Manitoba Data Services

Manitoba Development Corporation

Manitoba Energy Authority

Manitoba Hazardous Waste Management Corporation

Manitoba Hydro-Electric Board

Manitoba Liquor Control Commission

Manitoba Mineral Resources Ltd.

Manitoba Oil and Gas Corporation

Manitoba Public Insurance Corporation

Manitoba Telephone System

Moose Lake Loggers Ltd.

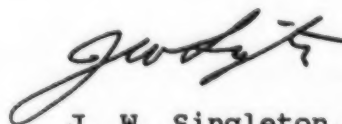
Venture Manitoba Tours Ltd.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the statement of financial position of The Public Investments Corporation of Manitoba as at December 31, 1987 and the statement of expenses and recoveries for the four month period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Public Investments Corporation of Manitoba as at December 31, 1987 and the results of its operations for the four month period then ended in accordance with the accounting policies described in note 2 to the financial statements.



J. W. Singleton, CA,
Assistant Provincial Auditor.

April 22, 1988,
Winnipeg, Manitoba

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

Statement of Financial Position
As at December 31, 1987

ASSETS

Cash	\$ 126,550
Accounts receivable, Note 3	119,250
Assessments receivable, Note 4	562,166
TOTAL ASSETS	\$ 807,966

LIABILITIES

Accounts payable and accrued liabilities:

Province of Manitoba, Note 5	\$ 418,220
Other	39,746
Notes payable - Province of Manitoba, Note 6	350,000

EQUITY

Share capital, Note 7	-
TOTAL LIABILITIES AND EQUITY	\$ 807,966

The accompanying notes are an integral part of these financial statements.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

**Statement of Expenses and Recoveries
for the four month period ended December 31, 1987**

EXPENSES

Personnel	\$ 139,555
Professional services	10,100
Travel	9,483
Finance	8,202
Other	2,455
TOTAL EXPENSES	\$ 169,795

RECOVERABLE FROM CROWN CORPORATIONS, Note 2 c **\$ 169,795**

The accompanying notes are an integral part of these financial statements.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

**Notes to Financial Statements
December 31, 1987**

1. Status and objects of the Corporation

The Public Investments Corporation of Manitoba was established effective September 1, 1987, by The Crown Corporation Accountability Act. The legislation establishes a new framework for the supervision of designated Manitoba Crown corporations and their accountability. The Corporation was created to give direction on matters of policy and to monitor the operations of designated Crown corporations. In these notes designated Crown corporations means those Crown corporations, boards, commissions, agencies or like bodies scheduled in the Act.

2. Significant accounting policies

a) General

The financial statements have been prepared in accordance with generally accepted accounting principles, except for the accounting for pensions and recoveries from designated Crown corporations, as set out in notes 2 b and c.

b) Pensions

Officers and employees of the Corporation participate in the Civil Service Superannuation Fund. The Corporation follows the same practice for reporting its pension expense and obligations as the Government of the Province of Manitoba. Pension expense is recorded when pension disbursements are made to retired employees. As no pension disbursements were required to be made for the four month period ended December 31, 1987, the Corporation has not recorded any pension expense for this period. Provision has not been made in the accounts to fund current or past service obligations to the Fund. An actuarial evaluation has not been made to determine the extent of any unfunded liability existing for the Corporation's officers and employees.

c) Recoveries from Crown corporations

The Corporation assesses fees pursuant to the Crown Corporation Accountability Act and the related Order-in-Council to recover its costs, as shown in the statement of expenses and recoveries, from designated Crown corporations.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

**Notes to Financial Statements
December 31, 1987**

2. Significant accounting policies (continued)

c) Recoveries from Crown corporations (continued)

Services paid for by the Government of the Province of Manitoba and provided to the Corporation at no charge are not included in those costs. The services include accommodation, furniture and office equipment. Management estimates the value of the services to have been approximately \$5,000 per month. It is anticipated that this arrangement will be concluded at June 30, 1988. The Corporation expects to incur the cost of those services and include those costs in its assessment on Crown corporations after that date.

Professional and administrative services provided by the staff of the Department of Crown Investments at no charge to the Corporation are also not included in the costs recorded in the statement of expenses and recoveries. Management estimates the cost of those services to have been a minimal amount. The arrangement concluded early in 1988, when the Department ceased operations.

3. Accounts receivable

The Corporation undertakes to provide certain professional and other services to specific Crown corporations. The costs of these services are recovered from the specific Crown corporations. The costs and recoveries are included in accounts receivable and have been excluded from the statement of expenses and recoveries.

For the four month period ended December 31, 1987, the costs incurred for services undertaken on behalf of specific Crown corporations amounted to \$321,215, of which \$119,250 is shown as accounts receivable on the statement of financial position.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

**Notes to Financial Statements
December 31, 1987**

4. Assessments receivable

These receivables consist of:

-	the amount recoverable for the Corporation's costs, as explained in note 2 c	\$169,795
-	the amount recoverable for the expenditures of the Department of Crown Investments, as explained in note 5	392,371
		\$562,166

5. Accounts payable and accrued liabilities - Province of Manitoba

The Government of the Province of Manitoba approved the recovery of the expenditures of the Department of Crown Investments for the fiscal year ended March 31, 1988 from Crown corporations. The Corporation has assumed responsibility for the administration of the recovery of the expenditures and the remittance of the recoveries to the Province. The accounts payable and accrued liabilities - Province of Manitoba includes an amount of \$392,371 with respect to expenditures of the Department of Crown Investments for the nine month period ended December 31, 1987 which are to be recovered from Crown corporations and remitted to the Province of Manitoba.

6. Notes payable

The Corporation issued the following interest-bearing notes to the Province of Manitoba:

September 17, 1987	\$ 250,000
October 23, 1987	100,000
	\$ 350,000

Interest, at the bank floating prime rate, is payable quarterly. The notes are repayable on demand.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

**Notes to Financial Statements
December 31, 1987**

7. Share capital

The Corporation may issue shares only to the Minister of Finance of Manitoba. The authorized share capital of the Corporation consists of ten million common shares without par value. No shares have been issued.

8. Commitments

The Corporation has entered into consulting contracts amounting to \$215,000 which are recoverable from Crown corporations as described in note 3.

9. Subsequent event

Subsequent to the year-end, the Government of the Province of Manitoba appointed the Autopac Review Commission. The Corporation has undertaken to provide financial services for the Commission and has entered into various contracts on its behalf. A preliminary budget for the operating expenditures of the Commission has been estimated at \$533,000. The expenditures which will be made by the Corporation on behalf of the Commission are to be recovered from the Manitoba Public Insurance Corporation, as explained in note 3.

10. Comparative figures

The Corporation was established effective September 1, 1987, as explained in note 1. These financial statements are for the four month period ended December 31, 1987.